

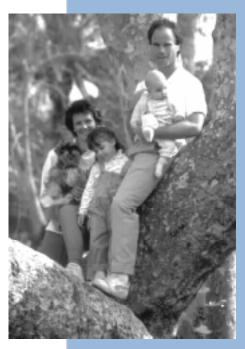
# Congresswoman

# Loretta Sanchez

# Family Tax Relief Guide 2000

Get free help on your taxes. Find out how to take advantage of the Child Tax Credit and learn about the HOPE Scholarship credit for higher education.











March 2000

## Dear Taxpayer:

Recently, Congress introduced a wide range of tax-saving benefits to the American taxpayer (PL 105-34). This agreement is a victory for America's working families and I hope it signals a new day in Washington — one of less taxes and less government.

It is particularly important to me that the tax relief which Congress adopted be understood by taxpayers, and that taxpayers in Orange County get the full benefit as quickly as possible. You can cut your tax bill if you qualify for the Child Tax Credit or one of the credits relating to higher education. The full amount of the credit comes right off your total tax. It's that simple.

Next month I will be hosting a series of "Tax Preparation Workshops" at my Garden Grove office. IRS staff will be on hand to answer your questions and assist you with your state and federal tax forms free of charge. Please call (714) 621-0102 to schedule an appointment. For further details on the new tax law it is recommended that you also consult with your own tax professional.

# Free Tax Preparation Workshops!

12397 Lewis Street, Suite 101 Garden Grove, CA 92840

March 29 9 a.m. - 1 p.m.

9 a.m. - 1 p.m. April 5

9 a.m. - 1 p.m. April 12

Veryt truly yours,

Your Congresswoman

# Follow these Easy Steps and Save up to \$500 For Each Child

"This is an important tax benefit that every parent will be glad to hear about,"



Loretta taking part at Minnie Street Children Festival in Santa Ana

# Who qualifies for the \$500 credit?

If you have a dependent child who will be under 17 at the end of the year, for whom you can claim a dependency deduction, you may be able to subtract up to \$500 from your 1999 federal income tax, unless your income exceeds specified levels. One child can mean up to a \$500 credit. Two children up to \$1000, and so on.

# How do you claim this credit?

First ask your employer for a new W-4 form and ask how many allowances you are currently claiming on the W-4 your employer has on file. For more information see Publication 17, Your Federal Income Tax, Child Tax Credit, Claiming The Credit.

J	1. If you are single with an income of \$18,000 to \$50,000 or married with a joint income of \$23,000 to \$60,000 just list		
	the number of eligible children you have in this box.		
	Total:		

Form	. W-4   Employee's Withho	olding Allowance Certifi
Depart Internet	town of the Treature	erwork Reduction Act Notice, see peg
1	Type or print your first reene and middle initial	Lint rame
_	Home address (number and street or rural route)	2 Single Married C
	City or town, state, and ZIP code	4 If your last name differs from tiens. You must sail 1-860
5 6	Total number of allowances you are claiming (from line H Additional amount, if any, you want withheld from each	
7	I claim exemption from withholding for 2000, and I certify  Last year I had a right to a refund of ALL Federal income too  This year I expect a refund of ALL Federal income too	ome tax withheld because I had NO to
	If you meet both conditions, write "EXEMPT" here	
Emp (Form	ir penalties of peguny, il centify that I am entitled to the number of with riczyce's signature in to not valid	•
	is you sign it? •  Final over's name, and address (Final over) Complete lines it and 10 is	Date ►

2. If you are single with an income of \$50,000 to \$80,000 or married with a joint income of \$63,000 to \$115,000 select one of the following options:

A. If you have only one eligible child, do not adjust your W-4 form you can use the Child Tax Credit when you complete your 2000 tax return next year.

**B.** If you have only two children enter "1" in the box below.

**C.** If you have only three or four children enter "2" in the box below.

**D.** If you have only five or more children enter "3" in the box below.

Total:

3 • Take the total from step one or two and add it to the number you would other wise use on line 5

# ent's Tax Relief Guid

# THE HOPE SCHOLARSHIP CREDIT QUESTIONS AND ANSWERS

## Q.Who may claim the HOPE Scholarship Credit?

A. An individual paying qualified tuition and related expenses at a college or university may claim the credit, provided the student (ie.the taxpayer, the taxpayer's spouse, or an eligible dependent) is enrolled at least part-time in one of the first two years of postsecondary education and enrolled in a program leading to a degree or certificate.

# Q. How can a taxpayer claim the HOPE Scholarship Credit?

A.The HOPE Scholarship Credit provides a 100% tax credit against the first \$1,000 expended for tuition and a 50% credit against the next \$1,000. This tax credit is normally better than a tax deduction because it allows a dollar for dollar tax credit of amounts up to \$1,500 expended by parents for each child. In the third and fourth years of college, there is now a different 20% credit on the first \$5,000 of tuition and expenses paid - thus saving up to \$1,000 in taxes. This credit will be increased to 20% of the first \$10,000 for expenses paid after 2002. Please come to our tax workshops for additional information.



Congresswoman Sanchez visits students at La Quinta High School to discuss various education issues.

# Staying In Touch

## **Garden Grove Office**

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Touta Sauchez

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